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# Egg Marketing Systems and Practices In New England

By

Edwin T. Bardwell, Robert L. Christensen
and David A. Storey

AGRICULTURAL EXPERIMENT STATION
UNIVERSITY OF NEW HAMPSHIRE
DURHAM, NEW HAMPSHIRE

in cooperation with

Agricultural Experiment Station, University of Massachusetts

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## SUMMARY

A total of 105 egg marketing firms in five New England states were surveyed to obtain information on marketing methods and other aspects of egg marketing. Data refer chiefly to 1965. Approximately one-half of the firms interviewed were primarily producers who also conducted marketing operations in their businesses. The next largest grouping was termed packers and next in order of importance was wholesalers. The miscellaneous category, which included assemblers, packers, breakers and truckers, constituted the smallest group in the survey.

Half of the firms interviewed had an individual proprietorship ownership structure. Thirty firms were under corporate ownership. fifteen were partnerships and seven were incorporated as cooperatives. The large proportion of individual proprietorships was a reflection of the large number of producer-marketers interviewed in the survey. Corporate structures were found to be most common among wholesalers and packers.

The largest firms, in terms of volume, were found in Connecticut and the smallest were in Vermont. More than half the firms in the survey had annual volumes between 5000 and 50,000 cases of eggs and only twenty firms (including the producer group) had annual volumes of less than 5000 cases. In the packer group, twenty of the twenty-eight firms had volumes greater than 50,000 cases annually.

The fifty-five firms in the producer group handled 28 percent of the total volume covered by the firms surveyed. The packer group (twenty-eight firms) accounted for nearly 60 percent of the volume covered by the survey. Although the firms in the survey handled nearly half the eggs estimated to be consumed in New England in 1965 (4 million out of 8.6 million cases), there was some double counting. The actual coverage of the study was probably somewhere between one-third and one-half of 1965 New England egg consumption.

Almost half of the eggs handled by firms in the survey originated in Maine. Each of the four types of firms obtained the largest proportion of their supplies from this state. Of some interest was the fact that only 2 percent of the egg handled by these firms originated from sources outside the New England states.

Approximately 60 percent of the eggs handled by the marketing firms were purchased from producers and another 27 percent came from flocks owned by the marketing firms. In the aggregate, more than three-fourths of the eggs purchased from producers had some processing function performed by the producer, although relatively few were completely processed and cartoned.

Most firms used the Boston Herald market quotation as their base price for producer payments. The price paid was usually given as the top or middle of this base while a few firms gave premiums over the quotation (usually for some degree of producer-processing).

Most agreements between marketing firms and producer were verbal and contained provisions relative to price, quality and proportion of total production.

Two-thirds of the eggs accounted for in the survey were picked up by trucks owned by the marketing firm. Nearly one-half of the eggs were procured either on the home farm or within 30 miles of the firm. Nearly sixty percent were produced within 60 miles of the firms.

Average sizes of farm pickups varied widely. The largest average farm pickups were found in Maine and the smallest in Vermont. Route distances also varied considerably, ranging from an average round trip of 105 miles in Maine to an average of 27 miles in Vermont. The number of farms per route ranged from 22 in Connecticut to 5 in Vermont.

More than 50 percent of the eggs sold by the firms went to retail stores within 100 miles of the firm's location. Another 28 percent went to other types of buyers, also within 100 miles of the firm.

Ninety of the firms carried on delivery operations. The average round trip delivery distance varied from 113 miles in Maine to 27 miles in Vermont. Chain food stores took the largest deliveries per stop with an average of 21 cases, while restaurants took, on the average. 3.5 cases per stop.

Chain food stores were the largest single class of buyer taking nearly 40 percent of the total volume. Wholesalers were next in importance accounting for 28 percent and independent food stores took an additional 12 percent of total volume.

All eggs sold directly to consumers on retail routes were graded and cartoned. However, only 15 percent of eggs sold to wholesalers were cartoned by the seller. Ninety-six percent of the eggs sold to chain food stores were graded and cartoned while 84 percent of sales to independent food stores were similarly processed. The bulk of purchases by restaurants, hotels and institutions were graded but not cartoned.

In the aggregate, 57 percent of the eggs sold by all firms in all states were graded and cartoned. Thirty percent were graded but uncartoned. The balance were ungraded and sold mostly to wholesalers.

About one-third of the firms stocked egg cases at the retail store and five out of six placed the eggs in the buyer's cooler. Other services to buyers were mentioned by some firms.

Most firms avoided credit as much as possible in sales operations. Exceptions were in the case of institutional buyers and hotels. The Boston Herald price quotations were used primarily as the base for selling price, with some other sources mentioned. Some firms gave discounts to some buyers. Discounts were available for items such as cash on delivery, volume of order, disposal of surpluses and for special sales. Few written contracts with buyers were reported. About half of the marketing firms stated that they did have verbal agreements with some buyers concerning the terms of sale. Agreements covered items such as price basis, quality, weight and size. Three-fourths of the eggs cartoned were packed under private label for buyers.

Most of the firms performed some "in-plant" function on the eggs they marketed. In-plant functions included washing, candling, sizing, cartoning, loose packing and breaking. Firms which did not perform any of these functions were truckers, assemblers, and wholesalers who merely transported the eggs or bought eggs already packed in final form.

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# Egg Marketing Systems and Practices In New England

Edwin T. Bardwell, Robert L. Christensen
and David A. Storey*

## INTRODUCTION

### Background

Egg production was the second most important agricultural industry in New England. In 1965, New England farmers produced 7.8 million cases of eggs, with a farm value of 109.7 million dollars.[1] However, eggs were even more important as a consumption item than as a production item in New England. If the slightly over 11 million residents of New England consumed eggs at the national average rate of 278 shell eggs per capita, then about 8.6 million cases of shell eggs were consumed in New England in 1965.[2] Thus, New England could be classified as a deficit area, which included some surplus states, in the production of eggs for consumer use.

As eggs moved from producer to consumer, the marketing functions were performed by several different kinds of firms. Important physical functions included transportation, storage and processing (washing, sizing, candling and packing into consumer cartons or loose into cases). Other marketing functions included pricing to producers and on inter-firm transfers, terms of payment and product specifications. Marketing functions may be performed at the farm, by an intermediary firm, by the final retailer, or in part by several of the above types of firms.

Although a number of egg marketing systems exist, there should be an optimum system or combination of systems to service any given market. The Northeast Poultry Marketing Technical Committee (NEM-21), a cooperative research group representing the Agricultural Experiment Stations in the Northeastern United States, had as a research objective: "To evaluate the economic feasibility of alternative egg marketing systems in the Northeast and the extent to which they (a) meet the requirements of various markets and (b) affect the competitive conditions of the marketing firms, both individually and collectively.

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[1] Economic Research Service, United States Department of Agriculture, *Selected Statistical Series for Poultry and Eggs through 1965*, ERS 232, Revised May 1966, p. 6

[2] Ibid., p. 20. This does not include consumption of processed eggs. The national average per capita consumption of processed eggs in 1965 was 30 shell egg equivalents.

In order to meet the research objective of the committee, it was first necessary to describe and classify current egg marketing systems and practices in the northeast. Next, locational economic models may be used to evaluate various alternative egg marketing systems within the region. This procedure should aid in the determination of the optimum system, or combination of systems, to best service the markets involved.

This report presents information from the first phase of the study which consists of description and classification of current egg marketing systems and practices, for the New England sub-region. Data are presented for all states in New England, with the exception of Rhode Island, and refer chiefly to 1965.

## RESEARCH PROCEDURE

### Basic Procedure

The basic procedure used was to collect information by personal interview from a stratified random sample of egg marketing firms. The universe was defined to include all firms that performed shell egg marketing functions, including producers performing marketing functions, and excluding dairies and retailers if they did not candle or carton eggs. To be included in the universe, firms, other than producers and a few wholesalers, had to handle at least 100 cases of eggs per week. Thus, the marketing functions with which the study was concerned were those intermediate between production and final sale.

### Interview Schedule

The Technical Committee determined the information needed for the study and developed an interview schedule to meet these information requirements.

### Preliminary Survey

In order to identify and classify existing firms for sampling purposes, a preliminary mail survey was made. A brief one-page questionnaire was sent to all firms suspected of performing egg marketing functions. The questionnaire asked for an identification of the major type of business, the volume of eggs handled in cases per week, and an enumeration of marketing functions performed. The preliminary survey was made in all states in New England except Rhode Island.

### Classifications

Based on the information gathered in the preliminary survey, the following major types of firms were identified according to primary marketing functions performed:

1. Producer — A firm that produced more than 50 percent of the eggs handled.
2. Packer — A firm that candled and cartoned more than 50 percent of the eggs handled.

3. Wholesaler — A firm that sold more than 50 percent of the eggs handled to retailers, dairies, restaurants, hotels, institutions, or other places of final sale or consumption.
4. Assembler — A firm that sold more than 50 percent of the eggs handled to packers or wholesalers or other intermediaries that were not the places of final sale or consumption.
5. Trucker — A firm that performed only the transportation function and did not take title to the eggs handled.
6. Breaker — A firm that removed the eggs from the shell and sold liquid, dried or frozen eggs for use in further processing.

To determine the primary category of a firm, the firms were considered in the order of categories listed. Thus, for example, if a firm produced more than 50 percent of the eggs handled and also candled and cartoned more than 50 percent of the eggs, its primary category was a producer. Subcategories were also determined. The firm in the above example was put in the major category of producer and sub-category of producer-packer. All firms were placed in a major category and a sub-category on the above basis. The first three categories were the most important in terms of numbers and volume.

### Sampling Procedure

The over-all sample size was 50 percent of the universe. The sample size within individual categories varied. Categories with small numbers of firms in them were sampled more heavily than categories with large numbers of firms. In conducting the interviews, two problems were encountered. First, some firms refused to cooperate; therefore, it was not possible to draw purely random samples within individual categories. Second, the initial information provided by the firms did not always prove to be correct, and some firms actually fell in different categories or were of different sizes than was anticipated.

The number of firms interviewed within each category are presented in Table 1. Only major categories are shown, since the initial estimates of the number of firms in the universe for sub-categories proved to be somewhat inaccurate. The location of firms interviewed is shown in Figure 1.

**Table 1. Number of Egg Marketing Firms Interviewed in This Study, by State and Type of Firm, 1965.**

| Type of Firm | State | | | | | Total, Five States |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | |
| | (number of firms) | | | | | |
| Producer* | 2 | 14 | 12 | 13 | 14 | 55 |
| Packer | 5 | 7 | 14 | 2 | | 28 |
| Wholesaler | 2 | 5 | 7 | 2 | | 16 |
| Assembler | | | 3 | | | 3 |
| Trucker | | 1 | | 1 | | 2 |
| Breaker | 1 | | | | | 1 |
| Total, all types | 10 | 27 | 36 | 18 | 14 | 105 |

* Only producers performing marketing functions were enumerated.

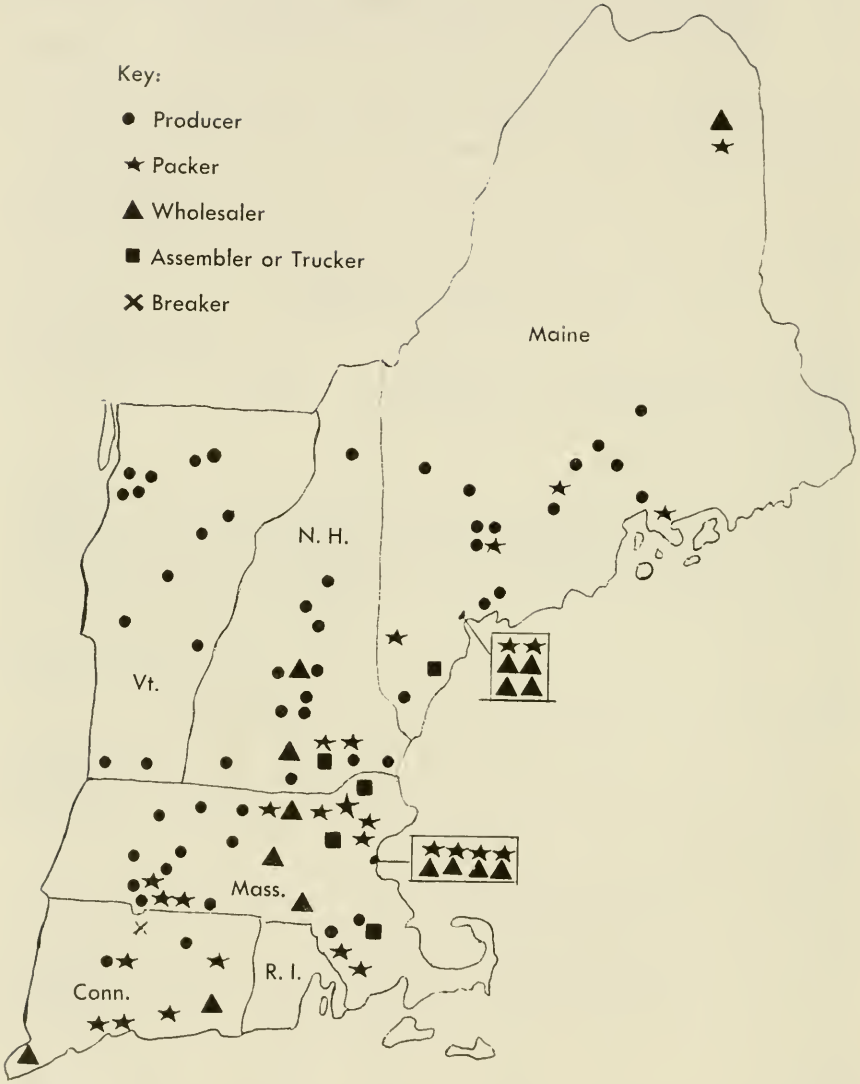


**Figure 1. Location of Egg Marketing Firms Interviewed in This Study**

## ANALYSIS

# Characteristics of Egg Marketing Firms

### Classification

A total of 105 egg marketing firms were surveyed in five New England States (Table 1 and Figure 1). Of these, approximately one-half (55 firms) were classified in the producer group with only 4 firms classified as strictly producers. The firms in this group performed at least one marketing function and the majority (36 of the 55) performed the functions of packing and wholesaling.

All producers contacted who retailed the majority of their eggs also performed the grading and packing functions on those eggs. Therefore all these producers were classified as producer-packer-retailers.

Twenty-eight firms were classified as packer-wholesalers. No packers were discovered in the survey who bought eggs, prepared them for market, and sold a *majority* of their eggs directly to consumers. Thus there were no packer-retailers.

Sixteen firms were classified as wholesalers, and six firms were grouped in a miscellaneous grouping which included assemblers, breakers and truckers.

No brokerage operations were included in the survey sample. A very limited number of eggs produced in New England were marketed through brokers for use in the New England area at the time of this study.

### Business Organization

The 105 egg marketing firms were grouped into four ownership categories: sole proprietorships, partnerships, corporations and cooperatives (Table 2). In the five states included in the survey, about half of the egg marketing firms were sole proprietorships. Thirty firms had a corporate ownership structure, fifteen were held in partnership and seven were cooperatives.

The variation in the ownership patterns among the different states was probably due to the difference in the classification mix in the states (Table 1). Sole proprietorships were proportionally highest in New

**Table 2. Form of Business Organization of Egg Marketing Firms Surveyed in Five New England States.**

| Business Organization | Conn. | Maine | Mass. | N. H. | Vt. | Total |
|---|---|---|---|---|---|---|
| | | | (number of firms) | | | |
| Sole proprietorship | 4 | 11 | 15 | 11 | 12 | 53 |
| Partnership | ... | 3 | 7 | 3 | 2 | 15 |
| Corporation | 3 | 12 | 12 | 3 | ... | 30 |
| Cooperative | 3 | 1 | 2 | 1 | ... | 7 |
| Total | 10 | 27 | 36 | 18 | 14 | 105 |

Hampshire and Vermont where producers were proportionally highest among those surveyed.

When ownership structure by types of marketing firms was compared, it was found that a large proportion of the sole proprietorships occurred in the producer group (Table 3). Corporate structures seemed to be most common in the packer and wholesaler group, but eight firms in the producer group were corporations. All of the cooperatives were packers.

**Table 3. Form of Business Organization by Different Types of Egg Marketing Firms.**

| Business Organization | Type of Firm | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Misc.* Group | All Types |
| | (number of firms) | | | | |
| Sole proprietorship | 38 | 7 | 5 | 3 | 53 |
| Partnership | 9 | 3 | 3 | ... | 15 |
| Corporation | 8 | 11 | 8 | 3 | 30 |
| Cooperative | .... | 7 | .... | .... | 7 |
| Total | 55 | 28 | 16 | 6 | 105 |

* Includes: assemblers, breaker and truckers.

## In-Plant Functions Performed

Most of the firms contacted in the survey performed some "in-plant" function on the eggs they marketed. In-plant functions included washing, candling, sizing, cartoning, loose packing and breakout. Those that did not perform any of these functions included truckers, assemblers and wholesalers who bought eggs already packed in the form which they supplied the eggs to their customers.

Table 4 lists the functions performed and the percentage of eggs so handled in each state and for all the states. These data undoubtedly were greatly influenced by the size of the firms performing certain of these functions. However, firms in Massachusetts and Connecticut did buy many of their eggs already cleaned at the farm. Very few left the

**Table 4. In Plant Functions Performed by New England Marketing Firms by Percent of Eggs Handled.**

| Function Performed | State | | | | | |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vermont | Total |
| | (percent of eggs handled) | | | | | |
| Washing | 25 | 76 | 34 | 72 | 62 | 51 |
| Candling | 66 | 67 | 68 | 83 | 57 | 70 |
| Sizing | 66 | 79 | 43 | 84 | 88 | 66 |
| Cartoning | 49 | 44 | 61 | 70 | 30 | 55 |
| Loose pack | 23 | 50 | 15 | 17 | 67 | 29 |
| Breakout | 4 | 0.3 | 0.4 | 1.5 | 0.7 | 1 |

farm where they were produced without being cleaned and sized. Remoteness from the consumer market may have accounted for the large percentage of loose packed eggs in Vermont.

Very few eggs produced in New England were broken out. New England was and still is a deficit area and eggs were marketed in the shell if possible. Packers did break out a few eggs that cannot be packed in the shell.

## Volume of Eggs Handled

### Average Size and Size Classification

The firms were classified according to annual volume (Table 5). More than half of the firms had annual volumes between 5,000 and 50,000 cases of eggs. The largest number of firms was in the size classification 10,000 to 50,000 cases annual volume. The smallest number of firms was in the size classification 2,500 to 5,000 cases annual volume. In general, the interviewed firms in Connecticut, Maine, and Massachusetts were larger than those in New Hampshire and Vermont.

### Classification According to Type of Firm

Firms were classified according to type of firm and size (Table 6). In the producer group, 33 of the 55 firms were in the size range of 5,000 to 50,000 cases annual volume. In the packer group, 20 of the 28 firms had volumes greater than 50,000 cases annually. Wholesalers tended to have volumes of less than 50,000 cases annually.

### Total Volume Handled

Four million cases of eggs were handled in 1965 by the 105 firms surveyed. Of these firms, the fifty-five producer group firms handled twenty-eight percent of the total volume marketed by the 105 firms surveyed (Table 7). The packer group, twenty-eight firms, handled the largest volume of eggs accounting for fifty-nine percent of the total volume. Wholesalers handled about nine percent and the miscellaneous group of assemblers, breaker and truckers handled four percent. It is of interest to note that annual volumes for the packer group averaged about four times that of the other three groups.

It was estimated that about 8.6 million cases of shell eggs were consumed in New England in 1965. The firms contacted in the survey handled approximately half of this total, just over 4 million cases. This does not mean that the survey accounted for half of the New England consumption. There was a double counting of some of the eggs in the survey and it would be difficult to determine the exact percentage. If the producer sales to wholesalers and inter-firm sales were deducted, then about two and a half million cases were left. This indicated that as little as thirty percent of the New England egg consumption in 1965 might have been handled by firms surveyed in this study. The actual coverage of the study was probably somewhere between one-half and one-third of the 1965 New England egg consumption.

Table 5. Average Size and Size Classification of Firms by Volume Handled in Each of Five New England States, 1965.

| State | Average Size | Annual Volume in Cases | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Less than 2,500 | 2,500–4,999 | 5,000–9,999 | 10,000–49,999 | 50,000–99,999 | More than 100,000 | Total |
| | (cases) | (number of firms) | | | | | | |
| Conn. | 84,300 | | | 1 | 2 | 3 | 4 | 10 |
| Maine | 44,900 | 4 | 1 | 3 | 8 | 7 | 4 | 27 |
| Mass. | 37,200 | | 3 | 8 | 15 | 6 | 4 | 36 |
| N. H. | 31,700 | 5 | 1 | 4 | 5 | 1 | 2 | 18 |
| Vt. | 6,300 | 4 | 2 | 5 | 3 | .. | .. | 14 |
| Total | 38,600 | 13 | 7 | 21 | 33 | 17 | 14 | 105 |



Table 6. Size Classification of Firms by Volume Handled and by Type of Firm, 1965.

| Type of Firm | Annual Volume in Cases | | | | | | |
|---|---|---|---|---|---|---|---|
| | Less than 2,500 | 2,500–4,999 | 5,000–9,999 | 10,000–49,999 | 50,000–99,999 | More than 100,000 | Total |
| | (number of firms) | | | | | | |
| Producer Group | 9 | 6 | 17 | 16 | 5 | 2 | 55 |
| Packer Group | .... | | 1 | 7 | 9 | 11 | 28 |
| Wholesaler Group | 4 | 1 | 2 | 8 | | 1 | 16 |
| Misc. Group* | | | 1 | 3 | 2 | | 6 |
| Total | 13 | 7 | 21 | 34 | 16 | 14 | 105 |

* Includes: Assemblers, breaker and truckers.

Table 7. Total and Average Volume by Marketing Group, 1965.

| Marketing Group | Number of Firms | Total Annual Volume | | Volume per Firm |
|---|---|---|---|---|
| | (no) | (cases) | (percent) | (cases) |
| Producer Group | 55 | 1,125,042 | 28 | 20,455 |
| Packer Group | 28 | 2,393,710 | 59 | 85,490 |
| Wholesaler Group | 16 | 364,250 | 9 | 22,765 |
| Misc. Group* | 6 | 172,220 | 4 | 28,700 |
| Total and average volume of firms surveyed | 105 | 4,055,222 | 100 | 38,624 |

* Includes: assemblers, breaker and truckers.

## Procurement Practices

### Source of Eggs Handled by State of Origin

Almost half (48 percent )of the eggs handled by the one hundred and five firms interviewed originated in Maine (Table 8). Each of the four groups also procured the largest percent of its eggs from Maine. Apparently the sources for the wholesaler group were spread more widely among the states as only 38 percent of its eggs came from Maine. with 26 percent from Massachusetts, 17 percent from New Hampshire and 14 percent from Connecticut.

The packer group obtained more egg from outside New England than any of the other groups. Information gathered generally listed New York City firms as the source. Undoubtedly these eggs were produced further away than that. The few eggs in the producer group originating outside New England were picked up in New York State by a small producer in Vermont.

Table 8. Source of Eggs Handled by State of Origin and Marketing Group, 1965.

| State of Origin | Marketing Group | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Misc. Group* | Groups Combined |
| | (percent of eggs handled) | | | | |
| Conn. | 10 | 23 | 14 | 14 | 18 |
| Maine | 61 | 43 | 38 | 53 | 48 |
| Mass. | 12 | 17 | 26 | 17 | 16 |
| N. H. | 9 | 10 | 17 | 14 | 11 |
| R. I. | | 1 | 4 | | 1 |
| Vt. | 8 | 2 | | 2 | 4 |
| Outside New England | † | 4 | 1 | | 2 |
| Total | 100 | 100 | 100 | 100 | 100 |

* Includes: assemblers, breaker and truckers.
† Less than 1/10 of 1 percent.

## Source and Form in Which Eggs Were Procured, by States

The egg marketing firms were questioned concerning source and form in which they received the eggs marketed (Table 9).

Twenty-seven percent of the eggs marketed by the firms in the five states came from flocks owned by the firms, sixty percent were purchased from producers, eight percent were inter-firm transfers, and five percent were obtained from a variety of other sources.

The proportion of eggs received from flocks owned by the firm varied from eleven percent in Massachusetts and New Hampshire to seventy-four percent in Vermont where all firms were producers. In Maine, fifty-four percent were obtained from owned flocks and in Connecticut seventeen percent were obtained from this source.

**Table 9. Source and Form in Which Eggs Were Procured, by State, 1965.**

| Source and Form | State | | | | | |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | Total |
| | (percent of eggs handled) | | | | | |
| Owned flocks | 17 | 54 | 11 | 11 | 74 | 27 |
| Purchased from producers | | | | | | |
| Sized, cleaned | 44 | 17 | 35† | 5 | 6 | 27 |
| Unsized, cleaned | 1 | 14 | 4 | 12 | | 7 |
| Unsized, uncleaned | 6 | 5 | 23 | 50 | 11 | 18 |
| Processed — cartoned | | 2 | 9 | 6 | | 4 |
| Processed — loose | | 1 | 9 | 5 | 7 | 4 |
| Sub total | 51 | 39 | 80 | 78 | 24 | 60 |
| Purchased from other firms | 25 | 1 | 9 | ‡ | 2 | 8 |
| Other sources* | 7 | 6 | | 11 | | 5 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |
| | (cases) | | | | | |
| Total volume handled | 842,915 | 1,212,410 | 1,340,565 | 571,109 | 88,723 | 4,055,222 |

† Includes .7 percent that were sized but uncleaned.

‡ About .15 percent.

* Handled but not purchased, such as trucking, brokering and eggs received on consignment.

The proportions of eggs purchased from producers in Massachusetts and New Hampshire were 80 percent and 78 percent respectively. The proportions purchased from producers in the other states were as follows: Connecticut 51 percent, Maine 39 percent, and Vermont 24 percent.

Connecticut firms had the highest proportion of inter-firm transfers with one-quarter of their supplies obtained from this source. This contrasts with the other extreme represented by New Hampshire firms, which indicated virtually no eggs received from this source.

On the basis of these data, it appeared that nearly sixty percent of the eggs procured from producers were sized and cleaned before being received by the marketing firm. Only thirty percent of the eggs received from producers were unsized and uncleaned. The remaining 10 percent were unsized but cleaned.

## Source and Form in Which Eggs Were Procured, by Marketing Group

Data concerning the source and form in which eggs were procured by marketing group are presented in Table 10. The differences among the groups indicated the distinguishing characteristics of the firms included within each category.

Firms in the producer group procured 88 percent of their eggs from flocks that they owned while the packer group firms purchased 88 percent of their eggs from producers. The wholesaler and miscellaneous group firms owned no flocks. The wholesaler group accounted for the largest percentage of inter-firm movement of eggs and purchased most of its eggs at least partially processed.

**Table 10. Source and Form in Which Eggs Were Procured, by Marketing Group, 1965.**

| Source and Form | Marketing Group | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Misc.* Group | Total |
| | (percent of eggs handled) | | | | |
| Owned flocks | 88 | 3 | .... | .... | 27 |
| Purchased from producers | | | | | |
| Sized, cleaned | 2 | 39 | 30 | 17‡ | 27‡ |
| Unsized, cleaned | § | 12 | .... | 1 | 7 |
| Unsized, uncleaned | 6 | 27 | | | 18 |
| Processed — cartoned | § | 5 | 11 | 3 | 4 |
| Processed — loose | 1 | 5 | 11 | | 4 |
| Sub total | 9 | 88 | 52 | 21 | 60 |
| Purchased from other firms | 1 | 6 | 48 | 10 | 8 |
| Other sources† | 2 | 3 | .... | 69 | 5 |
| Total | 100 | 100 | 100 | 100 | 100 |
| | (cases) | | | | |
| Total volume handled | 1,125,042 | 2,393,710 | 364,250 | 172,220 | 4,055,222 |

* Includes: assemblers, breaker, truckers.

‡ Includes 5.8 percent that were sized but uncleaned in the Misc. group — 0.2 percent of total.

§ Less than ½ of one percent.

† Handled but not purchased, such as trucking, brokering and eggs received on consignment.

## Pricing Practices

The egg marketing firms were asked how they determined prices to be paid to producers. Nearly all of the firms surveyed (62 of the 65 answering) stated that they used the Boston Herald quotations as the base price for producer payments. Other sources mentioned were Urner Barry and the U.S.D.A. Market News.

These firms reported that the price they paid to producers was usually at the top or middle of the base price quotation and in a few cases a premium of 1 to 5 cents over the base quotation was paid. In most cases the premium was justified by the amount of processing provided by the producer such as cleaning, sizing and grading. When these services were provided by the marketing firms, a discount of ½ to 1 cent per dozen was applied to the price.

When firms procured farm cartoned eggs from producers, the premium over the base quotation was somewhat larger, ranging from the top of the quotation to 3¼ cents over the top. Two-thirds of those replying indicated that they furnished cartons and cases to these producers. In the New England area most firms exchanged cases with producers.

Almost half of the firms indicated that an allowance was given to producers for delivery to the plant. This allowance ranged from ½ cent to 2 cents over the base price (plus any premium). One firm paid as much as 6 cents over the base quotation for eggs cartoned and delivered by the producer to the marketing firm.

The marketing firms interviewed indicated considerable interest in keeping informed of price changes. Most firms relied on the Boston Herald quote for their primary source of information. A majority of firms indicated that they made a number of telephone calls to keep abreast of developments in the market. Included in the other sources used were: the radio, U.S.D.A. Market News, Urner Barry, and North American Poultry Cooperative Association.

## Procurement Agreements

Slightly more than one-third of the firms interviewed had some sort of marketing contract with producers. The majority of the agreements were verbal. Provisions of these agreements included the base price to be used, the premium or discount on the base price, quality demanded, and proportion of total production the buyer will take or the producer must sell.

Many contracts asked for 90-95 percent grade A or better and some required refrigeration at the farm. The contracts also covered the number of shipments or pick-ups per week, penalties covering rejects and whether payment was on the market of the day of pick-up or some future market.

More than two-thirds of the eggs obtained from producers were picked up by the marketing firms' own trucks. This varied from a high of 94 percent in Vermont to a low of 45 percent in Massachusetts. Contract haulers picked up 17 percent of all eggs purchased from producers and varied from none in Vermont to 32 percent in Massachusetts.

The producer or supplier delivered 15 percent of all the eggs. In Massachusetts they delivered 23 percent and in Maine 15 percent. In Connecticut and Vermont they delivered 9 and 6 percent while only one percent was delivered in New Hampshire.

## Transport Operations

### Supply Area

For all firms in all states nearly one-half or 46 percent of all eggs handled were produced or procured either on the home farm or within 30 miles of the marketing firm (Table 11). Nearly 60 percent were produced and procured within 60 miles of the marketing firms.

Of the eggs procured from sources outside the home state of the marketing firms, about 20 percent came from Maine. Nearly half of the eggs received by New Hampshire firms originated in Maine, and Massachusetts firms obtained 31 percent of their supplies from Maine.

**Table 11. Proportion of Eggs Procured According to Distance from Marketing Firm, 1965.**

| Distance from Firm | Firm Location | | | | | Average all Firms |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | |
| | (percent of eggs handled) | | | | | |
| Home State | | | | | | |
| 10 miles or less | 14 | 32 | 10 | 22 | 76 | 20 |
| 11 to 30 miles | 33 | 29 | 23 | 20 | 1 | 26 |
| 31 to 60 miles | 20 | 18 | 5 | 7 | 6 | 13 |
| More than 60 miles | 4 | 20 | 5 | 5 | 3 | 9 |
| Sub-total | 71 | 99 | 43 | 54 | 86 | 68 |
| Out-of-State | | | | | | |
| Connecticut | * | | 10 | | | 3 |
| Maine | 6 | * | 31 | 45 | | 19 |
| Massachusetts | 6 | | * | 1 | 3 | 1 |
| New Hampshire | | 1 | 12 | * | 11 | 4 |
| Vermont | | | 4 | † | * | 1 |
| Rhode Island | | | 1 | | | † |
| Not specified | 6 | | † | | | 2 |
| Outside New England | 11 | | | | † | 2 |
| Sub-total | 29 | 1 | 57 | 46 | 14 | 32 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

* Home State.
† Fractional percent

Connecticut firms obtained 11 percent of their supplies from outside New England. The practice was unique among the firms surveyed since firms in none of the other states obtained significant quantities of eggs from sources outside the six state area.

## Assembly Operations

The egg marketing firms surveyed were questioned concerning their egg assembly operations. Information received is presented in Table 12.

**Table 12. Egg Assembly Data, by State, 1965.**

| State | Ave. No. of Trucks on Pickup | Ave. Size of Farm Pickup in Cases | Ave. Route Distance in Miles Round Trip | Ave. No. of Routes Operated | Ave. No. of Farms Served in Total Pickup Operation |
|---|---|---|---|---|---|
| Conn. | 2 | 71 | 54 | 4.5 | 22.5 |
| Maine | 2 | 196 | 105 | 2.5 | 22. |
| Mass. | 2 | 70 | 84 | 3.6 | 15. |
| N. H. | 3 | 34 | 91 | 5.9 | 15. |
| Vt. | 1 | 29 | 27 | * | 4.75 |

* Not available.

From these data it may be seen that most firms conducted their assembly operations with a small number of trucks. However, individual firms, depending on the size of the operation, might use considerably more. For example, one firm had twelve trucks involved in the egg assembly operation. Many firms used the same equipment for both pickup and delivery, sometimes on the same routes. About one-third of the total number of trucks reported in the survey were refrigerated and two-thirds had insulated bodies.

The average size of farm pickup varied widely both within states and between states. The largest average farm pickups were found in Maine and the smallest in Vermont. The largest individual farm pickup reported in the survey was 150 cases and the smallest was 2 cases.

Average route distances, round trip, also varied widely within states and between states. The longest average route distances were found in Maine (105 miles) and the shortest in Vermont (27 miles). Route distances ranged from a low of 5 miles to a high of 400 miles.

On the average the largest number of pickup routes were found in New Hampshire and the smallest number in Maine. Again this varied with the size of individual firms. The range in number of routes was from one to twenty-four. Many firms ran the same routes two or three times each week.

The number of farms per route ranged from only one to as many as sixty. The average number of farm pickups per route was greatest in Connecticut with 22.5 and the smallest average number was found in Vermont with 4.75.

## Delivery Area

The average delivery route distance, round trip, in Maine was 113 miles while Vermont firms reported an average distance of 27 miles. New Hampshire firms reported 60 miles for the average route distance and Connecticut firms reported 36 miles.

More than 50 percent of the eggs delivered by egg marketing firms went to retail stores within 100 miles of the firm's location (Table 13). Nearly 30 percent more of the eggs went to other types of buyers within 100 miles of the marketing firm. Of the eggs delivered to all types of buyers, 79 percent went to locations within 100 miles of the firm's location.

In Connecticut and Massachusetts more than one-fourth of the sales went to retail stores within 25 miles of the firm while in Maine this was true of only nine percent of the eggs. Maine and New Hampshire had the largest percentage of eggs going to retail stores over 100 miles from the firm, reflecting to some degree their remoteness from the large centers of population. On the other hand, sales to outlets other than retail stores within 25 miles of the firm were highest in Vermont where 57 percent of sales fell in this category. In Maine forty-three percent of egg sales were to other than retail buyers located more than 100 miles from the firm.

**Table 13. Proportion of Eggs Delivered to Outlets at Different Distances from Firm Location, 1965.**

| Outlet and Distances | Firm Location | | | | | All Firms |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N.H. | Vt. | |
| | (percent of egs handled) | | | | | |
| Retail stores | | | | | | |
| 0– 25 miles | 27 | 9 | 28 | 13 | 13 | 19 |
| 26– 50 miles | 17 | 11 | 38 | 31 | 14 | 24 |
| 51–100 miles | 5 | 12 | 7 | 8 | 2 | 8 |
| 101–500 miles | .... | 8 | 1 | 9 | .... | 4 |
| Sub-total | 49 | 40 | 74 | 61 | 29 | 55 |
| All others: | | | | | | |
| 0– 25 miles | 12 | 4 | 21 | 12 | 57 | 13 |
| 26– 50 miles | 15 | 3 | 1 | 13 | 9 | 7 |
| 51–100 miles | 8 | 10 | 4 | 12 | 5 | 8 |
| 101–500 miles | 16 | 43 | * | 2 | .... | 17 |
| Sub-total | 51 | 60 | 26 | 39 | 71 | 45 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

* Less than ½ of one percent.

## Delivery Practices

Of the 105 firms interviewed, 90 indicated that they carried on delivery operations. Thirty-eight firms delivered twice a week, 20 delivered 3 times a week and 19 delivered once a week. One firm delivered 4 times a week, 6 firms delivered 5 times and one firm 6 times a week. Six firms delivered on demand.

Most firms indicated that they made special deliveries to regular customers. One firm stipulated a minimum number of cases for a special delivery.

The average volume per delivery according to type of customer by states was examined (Table 14). These data indicated that chain food stores took the largest deliveries per stop and restaurants the smallest among those reported. It was of some interest to note that dairies were relatively large volume stops.

**Table 14. Volume of Eggs Delivered per Stop to Different Types of Outlets, 1965.**

| Type of Outlet | Firm Location | | | | | Average All States |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | |
| | (number of cases) | | | | | |
| Chain food stores | 37 | 15 | 19 | 20 | 14 | 21 |
| Independent food stores | 10 | 3.3 | 12 | 4 | 10 | 8 |
| Restaurants | 6 | 3 | 3.5 | 2 | 3 | 3.5 |
| Dairies | 10 | 13 | * | 15 | 10 | 12 |

* Not available.

## Sales Operations

### Types of Outlets by State

The marketing firms surveyed were questioned concerning the volume of sales to different types of outlets (Table 15). In Maine, 5 percent of total sales were made to wholesalers while the proportion going to this type of outlet in New Hampshire was only 10 percent. Chain stores were the most important outlet in terms of volume in New Hamp-

**Table 15. Percent of Eggs Sold to Different Types of Outlets, by State, 1965.**

| Type of Outlet | State | | | | | Average All States |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | |
| | (percent of eggs handled) | | | | | |
| Wholesalers & jobbers | 34 | 51 | 13 | 10 | 12 | 29 |
| Chain food stores | 43 | 30 | 39 | 52 | 7 | 38 |
| Independent food stores | 8 | 8 | 18 | 10 | 22 | 12 |
| Consumers on route | * | * | * | 1 | 3 | * |
| Consumers at plant | | 1 | 2 | 1 | 3 | 1 |
| Restaurants & hotels | 4 | 4 | 5 | 7 | 36 | 5 |
| Institutions | 4 | 1 | 4 | 2 | 5 | 3 |
| Military | | * | * | * | | * |
| Dairies | 2 | 3 | 2 | 12 | 11 | 4 |
| Breakers | 2 | * | 1 | 2 | * | 1 |
| Packers | 1 | 2 | | 2 | | 1 |
| Bakers | 2 | | * | 1 | 1 | 1 |
| Unidentified | | | 16 | | | 5 |
| Total | 100 | 100 | 100 | 100 | 100 | 100 |

* Less than ½ of one percent.

shire where 52 percent were sold to this outlet. Chain stores were also the most important buyers in Connecticut where they purchased 43 percent and in Massachusetts where they purchased 38 percent of the eggs. In Vermont, however, only 7 percent of sales were to chain stores but independent food stores accounted for 22 percent of sales. Restaurants and hotels represented the most important sales outlet for Vermont firms with 36 percent sold to this type of buyer.

In general, Connecticut and Maine firms sold more than 85 percent of their volume to three types of outlets: wholesalers and jobbers, chain food stores and independent food stores. These three types of outlets accounted for 72 percent of sales in New Hamphire, 69 percent in Massachusetts and 41 percent in Vermont. The average for all states was 79 percent.

## Types of Outlets by Marketing Group

Data relating to the various market outlets for eggs by marketing groups may be found in Table 16. Again, wholesalers and jobbers, chain food stores and independent food stores were the principal outlets for all of the groups, taking from 69 to 83 percent of the volume marketed.

The market orientation of the various groups varied more widely than between states. The most interesting difference was the 51 percent of the packer group output and the 17 percent of wholesaler group sales that went to chain food stores. Also of interest was the 23 percent of the output of the wholesaler group sold to restaurants, hotels and institutions.

**Table 16. Percent of Eggs Sold to Different Outlets, by Marketing Group, 1965.**

| Type of Outlet | Marketing Group | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Miscellaneous Group* | Total |
| | (percent of eggs handled) | | | | |
| Wholesalers & jobbers | 49 | 16 | 42 | 71 | 29 |
| Chain food stores | 20 | 51 | 17 | | 38 |
| Independent food stores | 14 | 11 | 10 | 7 | 12 |
| Consumers on route | 1 | † | | 1 | † |
| Consumers at plant | 2 | 1 | | | 1 |
| Restaurants & hotels | 6 | 5 | 13 | † | 5 |
| Institutions | 2 | 2 | 10 | † | 3 |
| Military | † | † | | | † |
| Dairies | 3 | 4 | | † | 4 |
| Breakers | 2 | 1 | | | 1 |
| Packers | † | 2 | | | 1 |
| Bakers | † | † | | 16 | 1 |
| Unidentified | † | 7 | 8 | 5 | 5 |
| Total | 100 | 100 | 100 | 100 | 100 |

* Assemblers, breaker, truckers.
† Less than ½ of one percent.

## Form in Which Eggs Were Sold, by Marketing Group

Eggs are usually traded on the market in one of three forms: loose graded, loose ungraded or cartoned. Loose eggs are packed in flats and fillers in 24 to 30 dozen cases. Cartoned eggs are packed in one dozen cartons and then packed in cases. Data concerning the form in which eggs were sold is presented in Table 17 by marketing group and in Table 18 by type of outlet.

Most of the firms in the survey performed some processing of the eggs they handled (Table 17). The packer group sold only 3 percent of the eggs they handled in ungraded form and the producer groups sold 18 percent ungraded but the wholesaler group sold over half ungraded. By definition a firm in the wholesaler group would have been in the packer group had it processed over half of the eggs it handled. Eighty-seven percent of all eggs marketed by these firms were graded. It was assumed that all cartoned eggs have been graded and candled. The miscellaneous group largely performed a transfer function.

**Table 17. For in Which Eggs were Sold, by Marketing Group. 1965.**

| Form | Marketing Group | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Misc. Group* | All Groups |
| | (percent of eggs handled) | | | | |
| Loose eggs — graded | 39.7 | 23.8 | 22.7 | 4.4 | 27.7 |
| Loose eggs — ungraded | 17.3 | 2.9 | 53.3 | 65.7 | 13.2 |
| Cartoned eggs | 43.0 | 73.3 | 24.0 | 29.9 | 59.1 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

* Assemblers, breaker, truckers.

## Form in Which Eggs Were Sold, by Type of Outlet

Different customers required different degrees of processing in the eggs they purchased (Table 18). All of the eggs sold to consumers on retail routes were graded and cartoned while only 15 percent of the eggs sold to wholesalers were cartoned by the seller. Sales to chain stores were 96 percent graded and cartoned eggs. However, independent food stores apparently carried on some cartoning activities or sell loose eggs as 15 percent of the eggs sold to this type of buyer were graded but uncartoned.

The bulk of purchases by restaurants, hotel and institutions were graded but not cartoned. About 11 percent of sales to restaurants and hotels were ungraded eggs. This did not appear to be consistent as it would seem that these outlets would be particularly conscious of quality since much of their business depends on direct consumer satisfaction.

Fifty-nine percent of the egg sold by all firms in all states were graded and cartoned. Twenty-eight percent were graded but uncartoned. The balance or 13 percent were ungraded. The sales of the ungraded and uncartoned eggs were largely interfirm transfers to wholesalers and packers who graded and cartoned the eggs for resale. Very few eggs

today reach the consumer uncartoned. These figures would indicate that some cartoning was done by stores and dairies.

Table 18. Form in Which Eggs were Sold to Different Types of Outlets, 1965.

| Type of Outlet | Loose Eggs | | Cartoned Eggs | Total |
|---|---|---|---|---|
| | Graded | Ungraded | | |
| | (percent of eggs handled) | | | |
| Wholesalers & jobbers | 48.3 | 36.5 | 15.2 | 100 |
| Chain food stores | 4.0 | .2 | 95.8 | 100 |
| Independent food stores | 12.0 | 1.6 | 86.4 | 100 |
| Consumers on route | ..... | ..... | 100.0 | 100 |
| Consumers at plant | 14.2 | ..... | 85.8 | 100 |
| Restaurants & hotels | 87.4 | 11.6 | 1.0 | 100 |
| Breakers | 78.1 | 21.9 | ..... | 100 |
| Institutions | 98.5 | .8 | .7 | 100 |
| Military | 61.5 | ..... | 38.5 | 100 |
| Dairies | 19.4 | 1.0 | 79.6 | 100 |
| Breakers | 78.1 | 21.9 | ..... | 100 |
| Packers | 100. | ..... | ..... | 100 |
| Bakers | ..... | 100. | ..... | 100 |
| Unidentified | 11.8 | 11.7 | 76.5 | 100 |
| Average all eggs | 27.7 | 13.2 | 59.1 | 100 |

## Cartoning and Type of Label

The percentages of all eggs handled that were cartoned and the type of label used on the carton by states are presented in Table 19. In Massachusetts 71 percent of all sale were of cartoned eggs. This was closely followed by New Hampshire with 69 percent, Connecticut with 49 percent, Maine 44 percent and Vermont 33 percent.

Sixty-five percent of the cartoned eggs carried a private label. 23 percent carried the cartoner's label and 12 percent carried a standard label. Connecticut and Vermont firms reported no eggs packed in standard cartons.

Table 19. Sales of Cartoned Eggs and Type of Label, by State, 1965.

| | State | | | | | |
|---|---|---|---|---|---|---|
| | Conn. | Maine | Mass. | N. H. | Vt. | Totals |
| | (percent of all eggs handled) | | | | | |
| Sales of cartoned eggs | 49 | 44 | 71 | 69 | 33 | 57 |
| | (percent of cartoned egg sales) | | | | | |
| Type of label | | | | | | |
| Private label | 72 | 52 | 66 | 58 | 39 | 65 |
| Own label | 28 | 16 | 27 | 6 | 61 | 23 |
| Standard label | | 32 | 7 | 37 | | 12 |
| Total | 18 | 23 | 41 | 17 | 1 | 100 |

Table 20 presents the same information as above for cartoned eggs but by marketing groups. The miscellaneous group did no grading or cartoning while the packer group cartoned 74 percent of all eggs they sold.

Table 20. Sales of Cartoned Eggs and Type of Label, by Marketing Group, 1965.

| | Marketing Group | | | | |
|---|---|---|---|---|---|
| | Producer Group | Packer Group | Wholesaler Group | Misc. Group* | Total |
| | (percent of all eggs handled) | | | | |
| Sales of cartoned eggs | 43 | 74 | 22 | | 57 |
| | (percent of cartoned egg sales) | | | | |
| Type of label | | | | | |
| Private label | 28 | 73 | | .... | 65 |
| Own label | 45 | 18 | 63 | .... | 23 |
| Standard label | 28 | 9 | 37 | | 12 |
| Total | 21 | 76 | 3 | .... | 100 |

* Assemblers, breaker, truckers.

## Form in Which Eggs Were Sold to Different Types of Outlets, by State

Table 21 shows the percentages of three types of packaging in which eggs were sold to various types of outlets in each state. Wholesalers and jobbers or chain food stores were the principal outlets in all of the states except Vermont where restaurants and hotels and independent food stores were the principal outlets.

## Form in Which Eggs Were Sold to Different Types of Outlets, by Marketing Group

Each of the marketing groups except the packers was strongly oriented toward sales to wholesalers and jobbers (Table 22). The packer group was oriented toward chain food stores and sold the largest percentage of cartoned eggs. The miscellaneous group (transfer and breaking) handled the largest percentage of ungraded eggs while the packer group handled the least. The large percentage of ungraded, loose packed eggs sold by the wholesaler group was due to interfirm transfers within the wholesaler trade rather than sales to retail outlets.

## Sales Orientation

The marketing firms interviewed sold their eggs to more than one outlet. Tables 23, 24, and 25 contain data regarding the sales orientation of the firms according to three classifications: geographic location, marketing group and size group. Each table contains the percentage of firms in each classification that sold eggs to each of the twelve types of

## Table 21. Form in Which Eggs Were Sold to Different Types of Outlets, by State, 1965.

| Type of Outlet | Connecticut | | | Maine | | | Massachusetts | | | New Hampshire | | | Vermont | | | All States | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Types of pack | | | | | | | | | | | | | | | | | | |
| | Loose | | | Loose | | | Loose | | | Loose | | | Loose | | | Loose | | | |
| | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | |
| | (percent of eggs handled) | | | | | | | | | | | | | | | | | | |
| Wholesalers & jobbers | 16.9 | 17.2 | | 24.5 | 15.9 | 12.2 | 5.7 | 6.3 | 1.0 | 6.5 | | 2.9 | 12.2 | | | 14.0 | 10.6 | 4.4 | 29.0 |
| Chain food stores | | | 41.8 | 4.6 | | 26.3 | .2 | .2 | 37.6 | | | 51.7 | 1.8 | | 5.0 | 1.5 | .1 | 36.1 | 37.7 |
| Independent food stores | | | 7.9 | 2.0 | | 6.0 | 1.2 | .5 | 16.2 | 1.2 | | 8.5 | 13.3 | | 8.6 | 1.4 | .2 | 10.2 | 11.8 |
| Consumers on route | | | .1 | | | .1 | | | .2 | | | 1.3 | | | 3.2 | | | .3 | .3 |
| Consumers at plant | | | | .5 | | .6 | | | 1.5 | | | 1.0 | | | 3.6 | .2 | | .9 | 1.1 |
| Restaurants and hotels | 4.2 | | | 3.8 | | * | 3.3 | 1.9 | * | 6.8 | .1 | | 34.2 | | 2.1 | 4.8 | .6 | .1 | 5.5 |
| Institutions | 3.7 | | | 1.3 | | .1 | 4.4 | .1 | | 2.2 | | | 4.6 | | | 3.1 | * | * | 3.1 |
| Military | | | | | | .2 | .2 | | | .3 | | | | | | .1 | | .1 | .2 |
| Dairies | 2.4 | | | .3 | | 1.5 | * | .1 | 1.6 | .3 | | 11.2 | .5 | .5 | 9.9 | .6 | * | 2.6 | 3.3 |
| Breakers | 2.3 | * | | .1 | | | | .7 | | 2.4 | | | .1 | | | .8 | .2 | | 1.1 |
| Packers | 1.3 | | | | | | | | | 1.5 | .6 | | | | | .5 | | | .5 |
| Bakers | 2.2 | | | | | | | .3 | | | 1.5 | | | .4 | | | .8 | | .8 |
| Unidentified | | | | | | | 2.0 | 2.0 | 12.8 | | | | | | | .7 | .6 | 4.3 | 5.6 |
| | ( —100%— ) | | | ( —100%— ) | | | ( —100%— ) | | | ( —100%— ) | | | ( —100%— ) | | | ( —100%— ) | | | (100%) |
| State totals | 33.0 | 17.2 | 49.8 | 37.1 | 15.9 | 47.0 | 17.0 | 12.1 | 70.9 | 21.2 | 2.2 | 76.6 | 66.7 | .9 | 32.4 | 27.7 | 13.2 | 59.0 | |

* Less than 1/10 of one percent.

Table 22. Form in Which Eggs Were Sold to Different Types of Outlets, by Marketing Group, 1965.

| Type of Outlet | Marketing Group: Producer Group | | | Packer Group | | | Wholesale Group | | | Misc. Group* | | | All Groups | | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Types of pack: Loose | | | Loose | | | Loose | | | Loose | | | Loose | | | |
| | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | Graded | Ungraded | Cartoned | |
| | (percent of eggs handled) | | | | | | | | | | | | | | | |
| Wholesalers & jobbers | 22.6 | 16.0 | 10.7 | 12.5 | 2.0 | 1.0 | 1.7 | 40.0 | | | 43.9 | 26.8 | 14.0 | 10.6 | 4.4 | 29.0 |
| Chain food stores | 3.7 | .3 | 15.9 | .7 | | 50.3 | .5 | | 17.0 | | | | 1.5 | .1 | 36.1 | 37.7 |
| Independent food stores | 3.2 | .2 | 11.1 | .5 | | 10.6 | 2.7 | | 7.0 | | 4.7 | 2.2 | 1.4 | .2 | 10.2 | 11.8 |
| Consumers on route | | | 1.1 | | | † | | | | | | .7 | | | .3 | .3 |
| Consumers at plant | .5 | | 1.3 | | | .9 | | | | | | | .2 | | .9 | 1.1 |
| Restaurants and hotels | 5.4 | .2 | .2 | 4.4 | | | 6.7 | 6.2 | | | .5 | | 4.8 | .6 | .1 | 5.5 |
| Institutions | 2.3 | .1 | † | 2.4 | | | 10.4 | | | | .1 | | 3.1 | † | † | 3.1 |
| Military | | | † | .2 | ..... | † | ..... | ..... | .. | ..... | ..... | ..... | .1 | ..... | .1 | .2 |
| Dairies | 1.0 | .1 | 2.2 | .6 | ..... | 3.4 | | | .. | | | .1 | .6 | † | 2.6 | 3.3 |
| Breakers | .9 | † | ..... | 1.0 | .4 | ..... | ..... | ..... | ..... | ... | ..... | ..... | .8 | .2 | ..... | 1.1 |
| Packers | | .3 | ..... | .8 | ..... | ..... | | | ..... | ..... | ..... | ..... | .5 | ..... | ..... | .5 |
| Bakers | | † | ... | ..... | .5 | ..... | | | | | 16.5 | ..... | ..... | .8 | ..... | .8 |
| Unidentified | .1 | † | .4 | .7 | ..... | 7.0 | .7 | 7.1 | | 4.5 | | | .7 | .6 | 4.3 | 5.6 |
| | ( — 100% — ) | | | ( — 100% — ) | | | ( — 100% — ) | | | ( — 100% — ) | | | ( — 100% — ) | | | (100%) |
| Group totals | 39.7 | 17.3 | 43.0 | 23.8 | 2.9 | 73.3 | 22.7 | 53.3 | 24.0 | 4.5 | 65.7 | 29.8 | 27.7 | 13.3 | 59.0 | |

* Assemblers, breakers, truckers.
† Less than 1/10 of one percent.

outlets. The tables also contain the average number of each type of outlet that a firm served.

Analysis of the figures in Table 23 indicate that there were no significant differences between firms based on geographical location by state.

There were more differences in outlets served among firms classified by marketing group (Table 24). The wholesaler group serviced only five of the twelve identified types of outlets and the miscellaneous group serviced eight.

When firms were classified by size, analysis indicated that the smaller firms were limited (possibly by size alone) in the number of different types of outlets serviced (Table 25). More of the smaller firms operated retail routes, all of the sizes serviced independent food stores while more of the larger firms serviced the chain food stores.

**Table 23. Percent of Marketing Firms Selling to Different Types of Outlets and Average Number of Outlets Served, by State, 1965.**

| Type of Outlet | State | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Conn. | | Maine | | Mass. | | N. H. | | Vt. | | All States | |
| | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm |
| Wholesalers & jobbers | 60 | 8.6 | 70 | 3.0 | 56 | 4.5 | 55 | 4.5 | 43 | 2.3 | 50 | 4.2 |
| Chain food stores | 60 | 35.0 | 52 | 20.5 | 47 | 18.5 | 33 | 25.8 | 43 | 2.3 | 39 | 20.4 |
| Indep. food stores | 70 | 15.7 | 70 | 13.1 | 56 | 16.7 | 83 | 17.1 | 86 | 15.5 | 58 | 15.5 |
| Consumers on route* | 10 | ‡ | 4 | 500. | 17 | 265. | 28 | 292. | 28 | 120. | 11 | 274. |
| Consumers at plant* | | | 33 | 261. | 30 | 282. | 50 | 103. | 36 | ‡ | 27 | 198. |
| Restaurants & hotels | 60 | 13.0 | 55 | 14.2 | 61 | 7.7 | 72 | 9.7 | 86 | 15.5 | 67 | 14.0 |
| Institutions | 40 | 7.3 | 37 | 4.5 | 44 | 5.8 | 50 | 3.3 | 14 | 13.0 | 30 | 5.1 |
| Military | | | 7 | 1.0 | 8 | 5.0 | 6 | 1.0 | | | 4 | 2.3 |
| Dairies | 20 | 1.0 | 30 | 3.7 | 36 | 3.9 | 39 | 2.4 | 36 | 2.0 | 28 | 3.0 |
| Breakers | 50 | 1.0 | 4 | 1.0 | 8 | 1.3 | 6 | 2.0 | 7 | 1.0 | 10 | 1.2 |
| Packers | 10 | 5.0 | 4 | 1.0 | | | 22 | 2.3 | | | 6 | 2.5 |
| Bakers | 10 | 20.0 | | | 5 | ‡ | 17 | 1.7 | 7 | 3.0 | 5 | 5.6 |
| Average number of outlets per firm† | | 14.2 | | 12.6 | | 8.9 | | 9.4 | | 9.3 | | 10.6 |

* Second figure each state is individual consumers.

† The individual consumers are not included.

‡ Not known.

Table 24. Percent of Marketing Firms Selling to Different Types of Outlets and Average Number of Outlets Served, by Marketing Group, 1965.

| Type of Outlet | Marketing Group | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Producer Group | | Packer Group | | Wholesaler Group | | Misc. Group* | | All Firms | |
| | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm |
| Wholesalers & jobbers | 71 | 2.5 | 54 | 8.6 | 13 | 6.5 | 80 | § | 50 | 4.2 |
| Chain food stores | 31 | 6.5 | 54 | 35.8 | 31 | 33.0 | | | 39 | 20.4 |
| Indep. food stores | 78 | 15.1 | 61 | 17.8 | 75 | 13.6 | 60 | § | 58 | 15.5 |
| Consumers on route† | 26 | 275. | 7 | § | .... | ..... | 20 | § | 11 | 274. |
| Consumers at plant† | 51 | 154. | 18 | 600. | .... | ..... | | | 27 | 198. |
| Restaurants & hotels | 69 | 11.7 | 64 | 16.8 | 62 | 19.1 | 40 | § | 67 | 14.0 |
| Institutions | 36 | 4.9 | 50 | 4.0 | 31 | 6.5 | 40 | § | 30 | 5.1 |
| Military | 2 | § | 18 | 1.0 | .... | ..... | .... | | 4 | 2.3 |
| Dairies | 36 | 1.9 | 46 | 4.0 | .... | ..... | 20 | § | 28 | 3.0 |
| Breakers | 9 | 1.0 | 18 | 1.0 | | | | | 10 | 1.2 |
| Packers | 5 | 1.0 | 7 | 5.5 | | | 20 | § | 6 | 2.5 |
| Bakers | 5 | 1.7 | 11 | 3.0 | .... | ..... | 20 | § | 5 | 5.6 |
| Unidentified | 22 | § | 54 | § | 50 | § | 60 | § | | |
| Average number of outlets per firm‡ | | 7.8 | | 14.9 | | 15.8 | | 10.5 | | 10.6 |

* Assemblers, breaker, truckers.

† Second figure each group is individual consumers.

‡ The individual consumers are not included.

§ Not known.

## Other Aspects of Sales Operations

Many of the egg marketing firm provided services to buyers. About one-third of those who responded said they stocked display cases at the retail store. Five out of six firms put the eggs in the cooler on the buyer's premises. Nearly all firms exchanged cases. A few firms indicated they performed other services such as setting up special displays, checking for code dates, supplying carton inserts and price marking.

The terms of sale were most commonly cash-on-delivery, cash-in-seven days or next delivery. Credit terms seemed to depend on the reliability of the customer as determined from past experience. The exceptions to this general rule appeared to be chain stores, institutions

Table 25. Percent of Marketing Firms Selling to Different Types of Outlets and Average Number of Outlets Served, by Size Group, 1965.

| Type of Outlet | Size Group* | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Less than 2,500 | | 2,500–4,999 | | 5,000–9,999 | | 10,000–49,999 | | 50,000–99,999 | | 100,000 and over | |
| | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm | Percent of firms selling this outlet | Average number of outlets served per firm |
| Wholesalers & jobbers | 23 | 1.3 | 50 | 2.0 | 69 | 2.4 | 67 | 2.0 | 82 | 11.3 | 60 | 9.5 |
| Chain food stores | 15 | 5.0 | 25 | 2.0 | 31 | 1.8 | 56 | 11.1 | 55 | 17.0 | 90 | 48.2 |
| Indep. food stores | 77 | 10.7 | 100 | 14.2 | 85 | 12.5 | 83 | 19.9 | 45 | 5.5 | 80 | 19.7 |
| Consumers on route† | 46 | 220. | .... | ..... | 23 | 432. | .... | ..... | 9 | § | .... | ..... |
| Consumers at plant† | 31 | 45. | 25 | § | 62 | 62. | 28 | 180. | 18 | 100. | 30 | 850. |
| Restaurants & hotels | 77 | 10.4 | 75 | 22.3 | 77 | 13.0 | 72 | 11.8 | 27 | 13.5 | 70 | 20.8 |
| Institutions | 23 | 4.7 | 25 | 3.0 | 31 | 1.8 | 44 | 6.0 | 36 | 4.7 | 50 | 4.8 |
| Military | .... | ..... | .... | ..... | 8 | 3.0 | .... | ..... | 18 | 1.0 | 10 | 1.0 |
| Dairies | 8 | 1.0 | 50 | 1.0 | 15 | 1.5 | 50 | 2.8 | 27 | 1.5 | 40 | 4.5 |
| Breakers | .... | ..... | .... | ..... | 8 | 1.0 | 6 | 1.0 | 18 | 1.0 | 40 | 1.3 |
| Packers | 8 | 1.0 | .... | ..... | 8 | 1.0 | 6 | 1.0 | .... | ..... | 20 | 5.5 |
| Bakers | .... | ..... | .... | ..... | 8 | 1.0 | 17 | 8.0 | .... | ..... | 10 | 3.0 |
| Average number outlets per firm‡ | | 8.0 | | 10.4 | | 6.6 | | 8.2 | | 6.8 | | 16.2 |

* Cases handled per year.

† Second figure each group is individual consumers.

‡ The individual consumers are not included.

§ Not known.

and hotels which often were on a monthly basis as payment was made from a central office.

The base price quotation used for sales was primarily the Boston Herald market quote. Other sources mentioned were Urner-Barry, U.S.D.A. Market News, State Market Bulletins and local trade sources.

About one-third of the firms indicated that they gave discounts to some customers. Reasons for giving discounts were for cash payment, for volume taken, for disposal of excess supplies, and for specials. Customers receiving these discounts were primarily grocery stores and other large volume buyers.

The firms were asked if they had written contracts with any of their buyers. Only 15 percent of those who replied indicated that they had written contract agreements. However, nearly half stated that they had verbal agreements concerning terms. The remainder of the firms stated

that they sold eggs under open market conditions. The terms of sale most frequently mentioned related to the base price to be used, quality of the eggs, grade standards to be met, either Federal or State, and weight and size specifications.

Twenty-six percent of the firms interviewed said they had a sales force. In many instances the truck drivers and routemen were the sales force. The percentage would have been much greater if proprietors also considered themselves as being their own salesman.